



Illinois Insurance Facts Medicare Prescription Drug Coverage and Illinois Cares Rx

Medicare Prescription Drug Coverage Overview

Beginning January 1, 2006, the new voluntary Medicare prescription drug coverage, sometimes called Medicare Part D, will be available to people with Medicare. Medicare prescription drug plans may vary, but like other insurance, enrollees will pay a monthly premium and a share of the prescription drug costs. **Extra help** will be available to people with limited resources.

When Can You Join a Medicare Prescription Drug Plan?

People who have Medicare Part A and/or Part B can join a Medicare prescription drug plan between November 15, 2005 and May 15, 2006. If you don't enroll in Medicare prescription drug coverage when first eligible and later choose to enroll, in most cases, you will pay 1% more a month in premium for every month you were eligible and did not enroll. This additional amount will be based on the current monthly premium at the time of enrollment and will be required as long as you are enrolled. People with current drug coverage considered as good as or better than the standard Medicare prescription drug coverage will not pay this higher premium penalty.

What Does Standard Medicare Prescription Drug Coverage Look Like?

- On average, you pay a \$32 monthly premium for standard Medicare prescription drug coverage. Some Medicare prescription drug plans will cost less than \$32 and some will cost more. *
- You pay the first \$250 in drug costs also known as the annual deductible.
- After the deductible, you pay 25% of drug costs up to \$500 out-of-pocket and Medicare pays 75% of drug costs up to \$1,500.
- You pay 100% of drug costs up to an additional \$2,850 in drug costs. This is sometimes called the coverage gap.
- Once your total out-of-pocket expenses reach **\$3,600 (\$250 + \$500 + \$2,850)**, Medicare pays 95% of the drug costs and you pay the greater of 5% of drug costs or \$2 for generics or \$5 for brand name.

*All drug plans will have to provide at least the standard level of coverage set by Medicare. Some plans might offer more coverage and/or additional drugs.

What is Extra Help?

Individuals with limited income and resources can get extra financial help to pay for drug costs under the Medicare prescription drug coverage. People who qualify for extra help will have either reduced premiums or no premiums, reduced cost sharing amounts, and no coverage gap. The amount of extra help you receive depends upon the amount of income and assets you have.

Who Qualifies for Extra Help?

People with Medicare who also receive full Medicaid benefits, SSI recipients, and individuals enrolled in QMB, SLMB, and QI will automatically receive extra help to pay for prescription drug costs under the Medicare prescription drug coverage.

Individuals at or below 150% of poverty also qualify for extra help, but must apply through the Social Security Administration (SSA) to get this help. If you need an application, call 1-800-772-1213 or TTY 1-800-325-0778. Fill it out and send it back to the Social Security Administration in the envelope they give you.

What if I have SeniorCare or Circuit Breaker Pharmaceutical Assistance?

Governor Blagojevich recently signed a law that creates a new, improved program called **Illinois Cares Rx**, combining and improving Circuit Breaker Pharmaceutical Assistance and SeniorCare. In order to continue to receive state prescription assistance through Illinois Cares Rx and also be eligible for Medicare prescription drug coverage, you must:

1. Apply for Extra Help from the Social Security Administration **AND**
2. Enroll in a Medicare prescription drug plan that is coordinating with the state.

Which Medicare prescription drug costs will Illinois Cares Rx pay for people with Medicare?

Illinois Cares Rx will pay 100% of the standard premium (not including any late enrollment fee/penalty) and the deductible for covered drugs. The participant pays \$2 co-payment for generic and \$5 co-payment for brand name drugs. Once the State and Medicare pays \$1750 in drug costs, you pay 20% per prescription plus any required co-payments. After \$5100 of total drug costs, you pay 5% co-insurance and Medicare pays 95% of the drug costs.

What if I don't qualify for Medicare, will I still be able to have Circuit Breaker Pharmaceutical Assistance and/or SeniorCare?

Yes, Illinois Cares Rx will provide benefits very similar to benefits currently covered by SeniorCare and Circuit Breaker Pharmaceutical Assistance for people not eligible for Medicare. Participants pay \$2 co-pay for generic drugs and \$5 co-pay for brand name drugs. Once Illinois Cares Rx has paid \$1,750 in benefits, you pay 20% of the cost of each prescription in addition to any required co-pays.

For more information, contact the Senior Health Insurance Program (SHIP):

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